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DEPARTMENT OF STATE

793.00/8-3058

Memorandum of Conversation

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DATE: August 30, 1958

SUBJECT: Taiwan Straits Situation

DEPARTMENT OF STATE A/CDC/MR

REFILED BY P. Applod DATE 7/9/8

PARTICIPANTS:

The Acting Secretary
Viscount Hood, Minister, British Embassy
Mr. Leishman, First Secretary, British Embassy
Mr. Elbrick, Assistant Secretary, EUR
Mr. Lutkins, Acting Director, CA

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The Acting Secretary said he had noted an official statement from London to the effect that the British Government was standing by Eden's Commons statement of February 4, 1955 regarding the problem of the GRC-held offshore islands. The position expressed in this statement was that the UK recognized the legal right of the Chinese Communist Government to the islands but would deplore any attempt to seize them by force. Lord Hood observed that in addition to Eden's statement the British Government position had been expounded at great length by Prime Minister Churchill in a letter of February 15, 1955 to President Eisenhower. The President in turn had sent a long reply to Mr. Churchill explaining the United States position. Lord Hood confirmed that the UK position regarding the problem remained as set forth at that time by Churchill and Eden. The British Government would greatly deplore a war that developed from an effort to hold the offshore islands. Such hostilities would be most unpopular in the UK and it would be difficult for the Government to defend the United States on the issue.

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Mr. Herter emphasized that we had been careful to avoid provocative actions and that the GRC had exercised remarkable restraint in the circumstances in having taken no retaliatory action against Communist airfields or gun emplacements except by counter battery fire. It was a question however how long such restraint could be maintained. So far the Communists had used air power very little in their attack. Communist build-up of their ground and naval forces in the area indicated that an invasion force was not yet being assembled. They were

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continuing to rely on artillery bombardment supplemented by torpedo boat attacks on Nationalist supply ships. It thus appeared that their strategy was one of continuing to attempt to harrass and interdict the islands with a view to wearing down the defenders' morale and ability to resist. He continued that the United States too, would not view with enthusiasm the possibility of a general conflict that might develop out of the hostilities in the area. But it was necessary for us to recognize the hard fact that the GRC had committed a substantial proportion of its troop strength to the defense of the islands. According to our information these troops were well dug in and still in pretty good shape; casualties had been relatively light since the initial surprise bombardment and morale was reported to be excellent. Mr. Herter then confirmed Lord Hood's understanding that the GRC was committed to consult with us prior to taking any new retaliatory action against the mainland and pointing out that it had observed this commitment faithfully. However, there was the obvious danger that if aerial combat developed on a large scale Nationalists planes might carry hot pursuit over Communist territory. In this respect, he commented, the Chinese Communists were faced with a Korean War "privileged sanctuary" problem in reverse, since they would find it difficult to pursue Nationalists planes to Taiwan without involving the US. The major difficulty which we faced with respect to the offshore islands problem, he continued, was the almost psychopathic frame of mind of the GRC leaders in linking retention of the islands to the fate of Taiwan and the GRC itself. As a result of this attitude and their actions stemming from it, Communist seizure of the islands would entail loss of the GRC's Navy and Air Force and a substantial proportion of its ground forces. Where would this leave Taiwan itself? The US clearly could not view this prospect with equanimity.

Lord Hood then inquired whether the US had decided how it would act in the event of what was clearly an all-out Communist assault on the islands. Commenting that recent Communist broadcasts explicitly linked the islands and Taiwan, Mr. Herter explained that the nature of our response remained under the Formosa Resolution a matter of Presidential determination whether defense of the islands was essential to the defense of Taiwan. This was an extremely difficult and delicate question since it involved political and psychological as well as purely military considerations. The present situation was that the Communists had the Quemoy group largely surrounded by artillery fire and were in a position seriously to hamper Nationalist resupply of the islands. If they were able to cut the supply lines over an extended period, the morale of the defenders could drop rapidly. He observed that our people on Taiwan have recently become more apprehensive about the interdiction threat because of the continuing intensity of the Communist attack. Their view now was that this was not just an attempt to create cold war tension but the first stage of a major effort to seize the islands.

Lord Hood then inquired whether anything could be done to cause the Communists to desist

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Lord Hood further inquired whether we had considered raising the offshore island hostilities question in the UN, to which Mr. Herter replied that we had done so but that the past history of UN consideration of the problem was not a happy one. 301(b)

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He said it was his understanding that a Communist attack on one of the offshore islands need not be reported to the Security Council under the provisions of Article V of the Mutual Defense Treaty since the islands were not specifically covered by the Treaty. We might choose to do so, but the Treaty did not oblige us to. Mr. Herter confirmed this interpretation.

The conversation shifted to the question of Chinese Communist intentions in undertaking their present attack on the Quemoy group. The Acting Secretary noted that it was still not clear whether their main objective was to take the real estate involved or to utilize the situation to create pressures for their seating in the UN or to achieve some other political end. Until their intentions became more clear, we were following a policy of on the one hand increasing the GRC capabilities to hold the islands by supplying them with additional equipment and on the other hand to reinforce our own military strength in the area. With regard to the latter he reiterated that we were taking care to avoid provocative actions. In the meanwhile, Lord Hood asked, were we avoiding additional commitments to the GRC? Mr. Herter replied in the affirmative. He continued that the Chinese Communists appeared to be probing to see how far we were preparing to go in the situation. If they were to test us to the limit, the results could be extremely serious.

Mr. Herter commented briefly about the manner in which Peiping and Moscow had reported the Quemoy hostilities to date. Peiping had given the subject very limited play in its press and radio broadcasts beyond stating that shelling of Quemoy had been undertaken in retaliation for Nationalist fire against the mainland. Their surrender appeals to the Quemoy defenders had thus far been beamed only to Taiwan and Japan and had not been rebroadcast for the domestic Chinese audience

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or reported in the Chinese Communist press. Until today Moscow had been virtually silent regarding the Quemoy developments, but we had just received a report indicating that a Tass summary of the President's August 23 press conference interpreted his remarks on the offshore islands situation as a firm commitment by the U.S. to help the GRC hold them.

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